



# Chicago Metropolitan Agency for Planning

233 South Wacker Drive  
Suite 800  
Chicago, Illinois 60606  
  
312 454 0400  
www.cmap.illinois.gov

## MEMORANDUM

**To:** Transportation Committee

**From:** CMAP Staff

**Date:** November 11, 2016

**Re:** Transportation Asset Management: Update on Final Federal Rulemaking

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This memo reviews the final federal rules on transportation asset management (TAM). It is part of a series of memos contributing to an ON TO 2050 strategy analysis that will identify potential future directions for TAM.

### Recent Federal Rules on Transportation Asset Management

Federal rules on asset management were recently finalized for transit agencies (July 2016, posted at <https://www.transit.dot.gov/TAM/rulemaking>) and for state departments of transportation (October, 2016, posted at <https://www.federalregister.gov/documents/2016/10/24/2016-25117/asset-management-plans-and-periodic-evaluations-of-facilities-repeatedly-requiring-repair-and>). The federal regulations set out primary responsibilities for asset management plans with the transit agencies and, for the National Highway System regardless of jurisdiction, the state department of transportation. The primary role of the MPO for each of these rules is ensuring consistency of financial plans, programs, and performance targets. The basic requirements of each regulation are laid out below.

**Transit.** As noted in a recent CMAP [policy update](#) (where additional information is available), each public transportation provider must develop and implement its own transportation asset management (TAM) plan. These plans must contain an asset inventory, condition assessments of inventoried assets, a prioritized list of investments to improve state of good repair (SGR), and various implementation activities. The rule would require an initial TAM plan to be completed by every transit provider by October 1, 2018. The plans are to be updated every four years and must consider funding levels and funding sources that are reasonably available each fiscal year. The TAM update cycle is also to coincide with major updates to the transportation improvement program for which CMAP is responsible as the region's federally designated

metropolitan planning organization (MPO). Fortunately, this plan development schedule aligns with the development of ON TO 2050.

Second, the rule specifies four performance measures for capital asset condition, which transit agencies would need to track over time. Third, the rule directs transit agencies to set annual performance targets for those measures. The initial targets are to be set three months after the rule is finalized, that is by January 1, 2017, well before the TAM plans are due, and revised at least annually. Fourth and last, additional information related to capital asset condition and annual condition targets is to be reported to the National Transit Database, a repository of statistics about transit systems.

FTA has established four performance measures in the final rule. (1) Rolling stock assets such as buses and rail cars and (2) non-revenue service vehicles will both be measured by the percent of vehicles by category that have met or exceeded their useful lives. For (3) infrastructure, the measure will be the percentage of track segments, signals, and systems with performance restrictions. For (4) facilities, the performance will be measured by the percent of facilities within an asset class rated "marginal" or "poor" on FTA's Transit Economic Requirements Model rating scale. While not directly addressed in the new rule, MPOs such as CMAP are also required to set performance targets for transit asset condition 180 days after the transit agencies set their targets.<sup>1</sup> Thus, CMAP would need to establish its inaugural annual asset condition target, at the earliest, by the end of June 2017. An important task for CMAP is how to fit the process of setting these short-range targets into the long-range plan context.

**National Highway System.** The Illinois Department of Transportation is required to establish a TAM Plan for National Highway System (NHS) pavements and bridges, regardless of highway jurisdiction. The TAM Plan must include a summary listing and condition of NHS pavement pavements and bridges; performance targets for NHS pavements and bridges; asset management objectives and measures; a performance gap analysis; risk analysis; life-cycle planning; a **10-year** financial plan for the NHS; and investment strategies.<sup>2</sup>

Performance measures for the National Highway System pavements and bridges are expected to be announced on December 14, 2016.<sup>3</sup>

To be blunt, implementing this final rule will require unprecedented coordination between and among IDOT, counties, and municipalities. An initial plan, explaining asset management plan processes, is due on April 30, 2018. A fully compliant plan is due on June 30, 2019, after the completion of ON TO 2050. However, because of the level of required coordination, this

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<sup>1</sup> 23 CFR 450.306(d)(2) through 23 CFR 450.306(d)(4)(i). Posted at [http://www.ecfr.gov/cgi-bin/text-idx?node=se23.1.450\\_1306&rgn=div8](http://www.ecfr.gov/cgi-bin/text-idx?node=se23.1.450_1306&rgn=div8). Accessed November, 2016.

<sup>2</sup> FHWA. *Asset Management Plans and Processes Fact Sheet*. October, 2016. Posted at <https://www.fhwa.dot.gov/asset/pubs/hif17006.pdf>. Accessed November, 2016.

<sup>3</sup> FHWA. *Asset Management Final Rule. External Webinar Slide Presentation*. Posted at <https://www.fhwa.dot.gov/tpm/rule/161109presentation.pdf>. Accessed November, 2016.

deadline is probably tight. According to the FHWA's Fact Sheet, "the deadline may be extended if the FHWA determines the State has made a good-faith effort."<sup>4</sup>

The MPO's role is established in the metropolitan planning regulations.<sup>5</sup> Those rules state that an MPO shall integrate the goals, objectives, performance measures, and targets described in state TAM plans for the NHS, as well as transit asset management plans, described above.

## **Next Steps**

Following are the next steps:

1. Coordination with transit agencies on 2017 target development.
2. Determination of how to integrate a 10-year NHS financial plan into ON TO 2050.

## **Action Requested: Information**

### **Staff contact**

Tom Murtha, Senior Planner, [tmurtha@cmap.illinois.gov](mailto:tmurtha@cmap.illinois.gov), 312-386-8649

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<sup>4</sup> FHWA, *Asset Management Plans and Processes Fact Sheet*. Op. cit.

<sup>5</sup> 23 CFR 450.306(d)(4)(i). Posted at [http://www.ecfr.gov/cgi-bin/text-idx?node=se23.1.450\\_1306&rgn=div8](http://www.ecfr.gov/cgi-bin/text-idx?node=se23.1.450_1306&rgn=div8). Accessed November, 2016.